

Regular Session, October 17, 2011, 7:00 p.m.  
Catawba County Board of Commissioners

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The Catawba County Board of Commissioners met in regular session on Monday, October 17, 2011 at 7:00 p.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan A. Hunsucker, Barbara G. Beatty and Randy Isenhower.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Dewey Harris, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 7:00 p.m.
2. Commissioner Barbara G. Beatty led the Pledge of Allegiance to the Flag.
3. Chair Barnes offered the invocation.
4. Commissioner Dan A. Hunsucker made a motion to approve the minutes from the Regular meeting of October 3, 2011. The motion carried unanimously. Commissioner Hunsucker made a motion to approve the Closed Session minutes of October 3, 2011 and Commissioners Barnes, Hunsucker, Lail and Beatty voted to approve the minutes. Commissioner Randy Isenhower did not vote on the approval of the Closed Session minutes as he had been recused from that closed session.

5. Recognition of Special Guests: Chair Barnes recognized students from the Bandys High School AP Government Class.
6. Public Comments for Items Not on the Agenda: None.
7. Public Hearings:
  - a. Planner Chris Timberlake requested the Board hold a public hearing and approve a request by Mr. J. Scott Gilleland to rezone one parcel totaling 1.84 acres from R-20 Residential to HC-CD Highway Commercial-Conditional District and consider approving a site schematic, site technical plan, material schematic and sign schematic. The property is located at 5436 Highway 150 East in the Sherrills Ford Small Area Planning District. The parcel is currently zoned R-20 Residential and subject to Mixed Use Corridor-Overlay standards. There is an occupied single-family residence on the property. Parcels to the northeast and west are zoned R-20 and the northeast parcel contains a single-family residence. The parcel to the south is zoned PD-CD Planned Development-Conditional District and is a portion of the area approved for the Bridgewater development proposed by Crosland.

The Catawba County Unified Development Ordinance (UDO), Section 44-418, HC Highway Commercial District, states "The district provides areas for regional highway-oriented business, office, service and civic uses. The district regulations are designed to protect and encourage the transitional character of the district by permitting uses and building forms that are compatible with the surrounding uses." Section 44-327, CD Conditional Zoning District states, "The conditional zoning districts included herein allow for the consideration of certain uses that, because of their nature or scale, have particular impacts on both the immediate area and the community as a whole and are created or established for selected criteria as indicated in the applicability section. The development of these uses cannot be predetermined and controlled by general district regulations. In addition, circumstances arise when a general zoning district designation would not be appropriate for a certain property, but specific uses permitted under the district would be consistent with the objectives of this section. To accommodate those situations, this section establishes the conditional zoning district process. A conditional zoning district is not intended for securing speculative zoning for a proposal but rather is based on a firm development proposal."

Mr. Gilleland submitted a site plan for proposed development of the parcel if it is rezoned HC-CD. The proposed ground floor area is 10,500 square feet. The HC Highway Commercial floor area ratio is 1:3; where, for every square foot of building space there must be three square feet of land area. In this case, based on the current property size of 80,150 square feet, the maximum building(s) square footage would be 26,716 square feet. The maximum building height proposed is 50 feet. The site plan indicates development could happen in one or two phases. Each building shown on the site plan is proposed to be available for single or multi-tenant retail, financial, and/or medical use. A sidewalk is shown along the front of the property and others connect parking areas to building entrances. In the event a Greenway Public Transportation or Charlotte Area Transit System proposes a stop at this site, a possible bus shelter location is shown on the plan.

The number of parking spaces will be determined based on specific uses. Certain uses such as restaurants which require more parking per building area, may be limited based on the available area for parking. The plan also depicts an entrance and right/left turn exit that will be reviewed by the North Carolina Department Of Transportation. Notations on the site plan address the County's landscaping requirements for parking facilities, parcel perimeter buffers, foundation plantings, internal parking landscaping, and the natural vegetative buffer along the stream, which meet the UDO requirements. A detailed landscape plan will be submitted for administrative review before a zoning permit can be issued.

Building materials as shown on the building schematic will either be of stucco, brick, hardboard siding, or stone with glass windows and entryways. Awnings could be over the building entrances. Any roof-mounted mechanical units will be shielded from view by parapet walls. According to the sign schematic, the on-premise sign would be a monument type. Construction materials for the sign and dumpster screening will be compatible with the buildings. A dumpster area

would also have a solid, closable gate. No pre-manufactured building materials (metal facades) or low roof pitches are proposed.

Public water is available and located along Highway 150, but public sewer is currently unavailable. A private septic system would be subject to approval by Environmental Health. As required by the UDO, all utilities must be underground. The Catawba County Thoroughfare Plan designates Highway 150 as a minor arterial road recently recognized as a Strategic Highway Corridor. Minor arterial roads serve to provide a link between cities, larger towns and other major traffic generators. Highway 150 is a two-lane roadway. In 2009, the average daily traffic count along NC 150 was 9,800 vehicles per day (VPD) and 12,000 VPD west and east of the site, respectively. According to the Thoroughfare Plan, the estimated capacity of Highway 150 is 14,200 VPD. The Catawba County Thoroughfare Plan recommends the widening of Highway 150 to a four lane divided boulevard. The 2009-2015 Transportation Improvement Plan states that right-of-way acquisition for Highway 150 improvements, from I-77 to Harvel Road in Catawba County, will begin in 2014.

The Sherrills Ford Small Area Plan serves as the current land use plan for this area. The subject property is in an area recommended for a regional/commercial mixed use center, which are designed to provide a mixture of uses such as commercial (including "big box" design), office-institutional, and multi-family. Because of its nature and proposed uses, staff considers this request to be reasonable and in conformance with the adopted land use plan. Staff recommended the rezoning request to the Planning Board based on the request being consistent with the adopted small area plan, consideration of the pattern of surrounding zoning district classifications; the request being in harmony with those classifications and land uses; and the conditions (building materials, uses, sign type) proposed.

The Planning Board held a public hearing on September 26, 2011. The applicant, Scott Gilleland, was available and addressed the board. Martin Pannell asked several questions about how the project would use wastewater treatment. Doug Rink, who has worked with Mr. Gilleland on the project, offered to discuss the plans with Mr. Pannell after the meeting. Sybil Stewart, Planning Board member, asked if sewer was planned for this area. Ed Neill, Planning Board member, stated that other administrative agencies will review wastewater issues and this was not a relevant concern of the Board's. The Planning Board voted, 6-0, to submit a favorable recommendation to the Board of Commissioners to rezone this 1.84 acre parcel from R-20 Residential to HC-CD Highway Commercial-Conditional District, based on the factors listed above.

Commissioner Isenhower questioned Mr. Timberlake regarding this conditional district zoning, asking if the County was getting too specific in its requirements? Mr. Timberlake stated that the requirements in the conditional district were no more stringent than what was all ready in the County's ordinance. Chair Barnes asked what would happen with the widening Hwy 150 at some point and Mr. Timberlake indicated that there was sufficient right of way to cover any requirements of that widening. Chair Barnes opened the public hearing, noting it had been duly noticed. Mr. Gilleland was the only person to speak at the public hearing, offering to answer any of the Board's questions. Chair Barnes then closed the public hearing. Commissioner Isenhower made a motion to adopt the consistency statement and approve the rezoning request. The motion carried unanimously. The following ordinance and consistency statement apply:

#### **ZONING MAP AMENDMENT CONSISTENCY STATEMENT**

On October 17, 2011, at the request of Scott Gilleland, the Catawba County Board of Commissioners conducted a public hearing for the purpose of considering a zoning map amendment (Case #RZ2011-6). Upon considering the matter, the Catawba County Board of Commissioners finds the item to be consistent with the Sherrills Ford Small Area Plan and reasonable for rezoning based upon:

- 1) Consideration of the pattern of surrounding zoning district classifications and whether the request is in harmony with those classification and land uses; and

2) The conditions (building materials, uses, sign type) proposed and depicted on Attachments A, B, C, and D.

The Catawba County Board of Commissioners therefore approves the zoning map amendment. This approval was affirmed by a vote of \_\_\_\_ - \_\_\_\_ of the Catawba County Board of Commissioners.

\_\_\_\_\_ Presiding Officer \_\_\_\_\_ Date

**Ordinance No. 2011-\_\_\_\_\_**

### **AMENDMENT TO THE CATAWBA COUNTY ZONING MAP**

**BE IT ORDAINED BY THE BOARD OF COMMISSIONERS**, that the Catawba County Official Zoning Atlas is hereby amended by rezoning the following described property from R-20 Residential to HC-CD Highway Commercial- Conditional District.

One parcel totaling 1.84 acres located at 5436 East NC 150 Highway in the Sherrills Ford Small Area Planning District, Mountain Creek Township, and further identified as Parcel Identification Number 3686-14-33-8118.

#### **PLAN CONSISTENCY STATEMENT:**

Pursuant to NCGS 153A-341, and upon consideration of the recommendations and guiding principles of the Sherrills Ford Small Area Plan, the Catawba County Board of Commissioners finds the rezoning request to be consistent with the Small Area Plan based upon:

- 1) Consideration of the pattern of surrounding zoning district classifications and whether the request is in harmony with those classification and land uses; and
- 2) The conditions (building materials, uses, sign type) proposed and depicted on Attachments A, B, C, and D.

This, the 17<sup>th</sup> day of October 2011

b. Planner Chris Timberlake presented a request for the Board to hold a public hearing to receive citizen input, approve the submission of a \$50,000 Community Development Block Grant NC Tomorrow Grant application, and adopt an authorizing resolution, on behalf of the four counties in the Unifour region. North Carolina Governor Beverly Perdue has directed the North Carolina Department of Commerce and the Regional Council of Governments to work with all communities to build a statewide economic development strategy that is grounded in the needs of each local community and builds up to the regional and statewide level, with the ultimate outcome being a statewide economic development plan. It has been 20 years since the last statewide economic development planning process was initiated. The focus and foundation of this planning process is to identify economic development needs and build a statewide plan that reflects local needs.

Catawba County will benefit from the grant, as it will serve as the Lead Local Unit of Government on behalf of Alexander, Burke and Caldwell Counties, will act in a primary role in the development of the Statewide Comprehensive Economic Development Strategy and will have direct access to technical support, data analysis and other economic development analysis tools via the Governor's direct partnership with the U.S. Economic Development Administration, N.C. Department of Commerce and the SAS Institute of Cary. Catawba County will administer the grant funds through an agreement with the Western Piedmont Council of Government, which will gather data for analysis by the SAS Institute.

Chair Barnes opened the public hearing, noting it had been duly advertised. No one came forward to speak. Chair Barnes closed the public hearing and indicated that this was the first time this type

of project had been done in the United States. Vice-Chair Lynn M. Lail made a motion to adopt the resolution and to approve proceeding with the grant application. The motion carried unanimously. The following resolution applies:

CATAWBA COUNTY  
AUTHORIZING RESOLUTION  
AND  
CERTIFICATION

WHEREAS, various State and Federal agencies provide for funds to municipalities to meet the community and economic development needs of low and moderate income residents; and

WHEREAS, Community Investment and Assistance will be the State administering agency for the Community Development Block Grant Program; and

WHEREAS, the Community Development Block Grant Program has funds available to local governments to develop long range planning initiatives; and

WHEREAS, North Carolina Tomorrow is a pilot program to spur regional planning for viable sustainable communities throughout North Carolina that will center on the six livability principles established by the Federal Partnership for Sustainable Communities; and

WHEREAS, the Catawba County Board of Commissioners has solicited and received citizen input regarding North Carolina Tomorrow project as described in the formal CDBG application.

NOW, THEREFORE, BE IT RESOLVED BY THE CATAWBA COUNTY BOARD OF COMMISSIONERS:

That Catawba County will substantially comply with all Federal, State and local laws, rules, regulations and ordinances pertaining to the project and to Federal and State grants pertaining thereto.

That, Katherine W. Barnes, Chair of the Catawba County Board of Commissioners, and successors so titled is hereby authorized to develop, execute and file an application on behalf of the Catawba County representing the four Counties within the Unifour Region to appropriate Federal and State agencies to secure funds for the North Carolina Tomorrow Project.

That, Katherine W. Barnes, Chair of the Catawba County Board of Commissioners, and successors so titled is hereby authorized and directed to furnish such information as the appropriate governmental agencies my request in connection with such applications for the project; to make the assurances and certifications as contained above; and to execute such other documents as may be required in connection with the construction of the project.

That this resolution shall take effect immediately upon its adoption.

8. Appointments: None.

9. Consent Agenda:

County Manager J. Thomas Lundy presented the following four items on the consent agenda. Prior to presenting the items, Mr. Lundy explained the concept and use of a consent agenda to the Bandys students in the audience:

a. A request for the Board to accept a grant from the U.S. Department of Justice's State Criminal Alien Assistance Program (SCAAP), in the amount of \$22,963. There are no matching funds required for this award; it is 100% Federally funded. The SCAAP is a formula-based grant program that provides agencies with reimbursement for some of the costs associated with housing potential undocumented criminal aliens in local jail facilities. These grant funds are based on individuals held in the Newton Detention Center and those held for Catawba County at the Burke-Catawba District

Confinement Facility during fiscal year 2009/2010. Funds under this program may be used for correctional purposes only. Staff has determined that the best application for the funds would be for medical services in the jail. This expense is unpredictable during the year as it is dependant on the inmates' presented medical conditions. The need fluctuates as the population changes. The following appropriations apply:

**SUPPLEMENTAL APPROPRIATION**

**Revenue**

110-220050-620385	\$22,963
State Criminal Alien Assistance Program (SCAAP)	

**Appropriation:**

110-220050-856300	\$22,963
Medical Services	

b. A request for the Board to accept a grant in the amount of \$88,000 from the North Carolina Department of Environment and Natural Resources (DENR) to be used for a Shuford Mill dam removal project on the Henry River in Brookford. The abandoned dam is owned by Shuford Development Company, which has given written permission for and is supportive of the removal. The dam is estimated to be 35 feet high, 4.5 feet wide at the top, and 200 feet long. A gate at the bottom of the dam has been left open so it does not regularly impound water except during high flow events, when water can back up beyond the bridges upstream and cause flooding of private property. This has also caused significant bank erosion immediately upstream of the dam, which may eventually impact the highway bridge. The dam was built in the early 1900s to provide water power to a textile mill that has been abandoned for over 30 years. The large mill building still exists and is used for furniture storage. The owner does not have long-term plans for the property, and removal of the mill building is a possibility. The dam is not licensed by the Federal Energy Regulatory Commission (FERC). It is regulated by North Carolina's Dam Safety Program and classified as low hazard. This project will support an existing paddle/blue trail on the river. There are dedicated access points upstream and downstream of the dam, but no safe route around the dam.

The project is funded by the U. S. Fish and Wildlife Service's Fish Passage Program and North Carolina Division of Water Resources and will be managed jointly by Carolina Land & Lakes and American Rivers. The main goals of the project are to restore multiple ecological functions of the river, including hydrologic flow, natural sediment transport, stream habitat, and connectivity of aquatic population; restore stream banks and riparian habitat at the site; and improve safety for boaters on the river. Removal of the dam will connect 10 miles of habitat to the next dam upstream, the Henry River Dam, which is also being considered for removal in the future. The removal of these two dams would open 135 miles of river and tributary streams. This work will be coordinated with additional efforts, to achieve passage on FERC dams on the South Fork of the Catawba River and other Santee Basin streams. The total project is estimated at \$195,000, which has been set aside by the Division of Water Resources. Phase 1 of the project has been funded, and will include soliciting proposals for engineering and design plans sufficient for permitting and construction. This will be a pass-through grant from the County to Carolina Land & Lakes to manage the project. Once Phase 1 is complete, Phase 2 will be funded by DENR, estimated to be \$107,000 for the actual deconstruction of the dam. The Board will consider Phase 2 approval if that grant is awarded by the State. The following budget revision applies:

**Budget Revision:**

110-320050-857900	Other Contracted Services	\$88,000
110-320050-630577	NC DENR Grant – Shuford Dam	\$88,000

c. A request for the Board to approve financing in the amount of \$650,000 for computer equipment upgrades. Five years ago, the County implemented a plan to create a Server Area Network (SAN) that reduced the number of servers required to run County business applications and provided an alternate site for backup in case of a disaster or loss of equipment use. The original equipment was

financed over a five-year period and will be paid off later in this fiscal year. Major upgrades to the SAN are now needed, which will cost approximately \$650,000.

The equipment purchase was planned in the current year's budget, to be financed over another five-year period, as the original equipment loan was paid off. The new equipment was purchased in July 2011 from EMC/Katalyst through State contract pricing and the financing needs to be secured. A Request for Financing Proposals was sent to several financial institutions on September 21, with five responding on September 30. Banc of America Public Capital Corporation was the lowest bidder at an interest rate of 1.67% financed over a term of 59 months with quarterly payments. Local Government Commission approval is not required on local government loans for less than five years. The County will be borrowing the funds through an installment purchase transaction authorized under North Carolina General Statute 160-A.20, with the equipment pledged as collateral on the loan. Debt payments will begin in December and are already included in the current year budget. The following budget revision applies:

Budget Revision:

410-460100-982000-11202	Computer Equipment	\$650,000
410-460100-690450	Proceeds from Financing	\$650,000

d. A request for the Board to approve changes to the Catawba County Support for Education Policy that add employee participation in school mentoring programs as a covered activity, expands the definition of parent in the policy and updates sections of the policy that are no longer pertinent. Recognizing that education plays an important factor in the future quality of life and economic growth of the County, the Board of Commissioners adopted the Catawba County Support for Education Policy in 1990. The Policy encourages employees' participation in school related activities in hopes of creating an environment that promotes a higher quality of learning in the community. The past Policy limits employee involvement to parent-teacher conferences, school tutoring programs and serving as a guest lecturer at a school. There is now an opportunity for employees to participate in mentoring programs at various schools. The past Policy did not address mentoring programs. The revision adds mentoring programs as a covered activity. It does not increase the number of hours the County would match for an employee to participate in such a program. The revised Policy also removes serving as a guest lecturer through the schools' "speakers bureau" from the Policy, because this program no longer exists in the school systems. Finally, the revised Policy includes a variety of other minor changes, such as clarifying that the time allowed away from work for parent-teacher conferences is per child, not total time and also expands the definition of parent. The following policy applies:

### **Catawba County Employee Support for Education**

The Catawba County Board of Commissioners recognizes the important role that education plays in the quality of life of our citizens and the contribution it makes to our economic growth and vitality. Because of the importance of education to our community, we urge County employees to support education through their participation and involvement in various educational activities.

The purpose of this policy is: 1) to encourage employees who are parents, guardians, persons standing in loco parentis of school-age children, or grandparents of school-age children to become actively involved in their children's and grandchildren's school activities, and 2) to encourage all employees to work with the schools on a voluntary basis.

This policy is separate from North Carolina General Statute 95-28.3-Parental Involvement in the Schools, which entitles parents, guardians, or persons standing in loco parentis of a school-age child to four hours per school year for parent-teacher conferences.

Two activities are covered by this policy:

1. Teacher Conferences and School Support Activities

## 2. Tutorial Programs and Mentoring Programs

Employees are eligible for this program at the end of their probationary period.

### **Teacher Conferences and School Support Activities**

Employees may schedule either (a) conferences with their child's or grandchild's teacher or (b) other school support activities during work time and may use accrued benefits to avoid loss of income. This section applies to parents, guardians, persons standing in loco parentis of school-age children, and grandparents of children who are in the public schools, a certified preschool, or an accredited private school.

The County will share in the need for employees to use accrued annual or compensatory hours for teacher conferences and school support activities by donating half the required time away from work.

The County's donated time is limited to a maximum of four (4) hours during a calendar year per child. Thus, one-half of the time away from work will be the employee's annual leave or compensatory time, while the remaining time away from work will be a match contributed by the County. The employee is required to record any time away from work using the appropriate time code on timesheets when this policy is used.

### **Tutorial and Mentoring Programs**

Employees who have credentials, disciplines, or unique experiences that may be helpful in the field of education are invited to volunteer their assistance with tutoring programs. In addition, employees may volunteer to serve as a mentor to a child, provided (1) the mentoring program has been approved by the County, and (2) the department head has approved the employee's participation in the program.

The county will match up to a maximum of 4 hours per year for an employee to participate in a tutorial or mentoring program. This 4 hours matching time is in addition to the 4 hours matching time for teacher conferences and school support activities.

### **Donated Time**

Donated hours do not accumulate, and unused hours will not carry over from year to year. There is no entitlement for payment of unused time for this additional benefit during employment or in the event the employee leaves the County.

### **Departmental Approval**

Because organizational needs may sometimes take precedence over personal needs, employees must have prior approval from their supervisor or the department head before attending school conferences or other school activities or volunteering in a tutorial or mentoring program during normally scheduled work hours. Department heads are also authorized to require validation of attendance at conferences, if deemed necessary, before approving the use of any benefit time. Abuse of this policy will be grounds for dismissal.

**Employees Assigned to Schools:** Several County departments have employees assigned to schools as a part of their employment. The duties of their position may require involvement in field trips or other activities outside the regular schedule. This policy and donated time applies only when the employee is attending teacher conferences and other school support activities or participating in tutorial or mentoring programs; otherwise the policy does not apply.

**Right of Appeal:** All decisions made as a result of this policy, except as required by Statute, are subject to the department head's discretion. There is no right of appeal of the department head's decision.



The Board was asked if any member wished for an item to be broken out of the consent agenda. None were requested. Commissioner Beatty made a motion to approve the consent agenda. The motion carried unanimously.

10. Departmental Reports:

Finance Department:

Finance Director Rodney Miller presented a request for the Board to adopt a resolution authorizing approval of various financing documents in connection with the refunding of a portion of the County's installment debt obligations, up to \$60 million, which was approved by the Board on October 3, 2011. Local governments in North Carolina are allowed to refund, or refinance, existing debt to take advantage of lower interest rates, subject to certain restrictions. One of those restrictions is that the North Carolina Local Government Commission (LGC), a division of the State Treasurer's Office, approves the transaction. The LGC requires a net present value savings of at least 3.0% in order to begin the refunding process.

With rates at historic lows, the most recent analysis shows that the County's 2004 Certificates Of Participation transaction, along with its 2003 and 2008 installment purchase loans, can be refunded at current interest rates to achieve approximately 4.31% net present value savings, amounting to more than \$2 million in savings over the next 17 years (\$1.8 million as of the date of this meeting). That amount can fluctuate as interest rates change between now and the sale date, which is expected in mid-November. Catawba County last refunded its debt in 2005, resulting in interest savings of approximately \$500,000 over ten years.

Commissioner Hunsucker verified with Mr. Miller that the County's Standard and Poor's rating was AA+. Mr. Miller also asked that the Board, as part of the resolution presented for adoption, appoint Corky Upchurch, Tony Wolfe and himself to the Catawba County Public Facilities Corporation. Commissioner Isenhower confirmed that this Corporation would not own anything. Commissioner Hunsucker made a motion to adopt the following resolution. The motion carried unanimously.

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING A CONTRACT AND A DEED OF TRUST AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**

**WHEREAS**, the County of Catawba, North Carolina (the "*County*") is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

**WHEREAS**, the County has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment financing contracts in order to finance the purchase of real and personal property used, or to be used, for public purposes, and (3) finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction;

**WHEREAS**, the County has previously entered into the following installment financing contracts (collectively, the "*Prior Contracts*");

(1) an Installment Financing Agreement dated as of September 15, 2003 between the County and Bank of America, N.A., the proceeds of which were used to finance a new middle school for Hickory City Schools;

(2) an Installment Financing Agreement dated as of August 1, 2004 between the County and Catawba County Public Facilities Financing Corporation, a North Carolina nonprofit corporation (the "*Corporation*"), the proceeds of which were used (a) to finance the construction and equipping of a new high school for Catawba County Schools and a new middle school for Hickory City Schools and (b) the equipping of a learning resource center at Catawba Valley Community College;

(3) an Installment Financing Agreement dated as of May 1, 2005 between the County and the Corporation, the proceeds of which were used to finance an expansion to the County's Justice Center and improvements to C.H. Tuttle Elementary School; and

(4) a Financing Agreement and Deed of Trust dated as of May 30, 2008, as amended by a Modification Agreement dated as of August 8, 2008, each between the County and Branch Banking and Trust Company, the proceeds of which were used to finance (a) improvements to Bunker Hill High School, (b) the construction and equipping of various wastewater system improvements, including sewer mains and lines, pump stations, and a utility bridge and (c) the construction and equipping of, or improvements to, (i) certain public school facilities, including Snow Creek Elementary School and Bandys High School, and (ii) certain facilities at Catawba Valley Community College;

**WHEREAS**, to secure its obligations under the Prior Contracts, the County executed and delivered deeds of trust granting a security interest in certain projects financed by the Prior Contracts, including the sites on which Bandys High School and Bunker Hill High School are located (collectively, the "*Sites*") and the improvements thereon;

**WHEREAS**, the Board of Commissioners of the County (the "*Board*") has previously determined that it is in the best interest of the County to refinance a portion of its installment payment obligations under the Prior Contracts;

**WHEREAS**, the County hereby determines that it would be in the best interest of the County to enter into an Installment Financing Contract dated as of November 1, 2011 (the "*Contract*") between the

County and the Corporation in order to refinance a portion of its installment payment obligations under the Prior Contracts;

**WHEREAS**, in order to secure the County's obligations under the Contract, the County will enter into a Deed of Trust, Security Agreement and Fixture Filing dated as of November 1, 2011 (the "*Deed of Trust*") related to the Sites and the improvements thereon;

**WHEREAS**, the Corporation will issue its Limited Obligation Bonds (County of Catawba, North Carolina), Series 2011 (the "*Bonds*") in an aggregate principal amount not to exceed \$60,000,000, evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the Contract) pursuant to the Contract;

**WHEREAS**, in connection with the sale of the Bonds by the Corporation to Stephens, Inc. and Robert W. Baird & Co. (collectively, the "*Underwriters*"), the Corporation will enter into a Contract of Purchase to be dated on or about November 10, 2011 (the "*Contract of Purchase*") between the Corporation and the Underwriters, and the County will execute a Letter of Representation to the Underwriters with respect to the Bonds (the "*Letter of Representation*");

**WHEREAS**, there have been described to the Board the forms of the following documents (collectively, the "*Instruments*"), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Contract;
- (2) the Deed of Trust;
- (3) an Indenture of Trust dated as of November 1, 2011 (the "*Indenture*") between the Corporation and U.S. Bank National Association, as trustee;
- (4) the Contract of Purchase;
- (5) an Escrow Agreement dated as of November 1, 2011 (the "*Escrow Agreement*") between the County and U.S. Bank National Association, as escrow agent; and
- (6) the Letter of Representation;

**WHEREAS**, to make an offering and sale of the Bonds, there will be prepared a Preliminary Official Statement with respect to the Bonds (the "*Preliminary Official Statement*"), a draft thereof having been presented to the Board, and a final Official Statement relating to the Preliminary Official

Statement (together with the Preliminary Official Statement, the "*Official Statement*"), which Official Statement will contain certain information regarding the County;

**WHEREAS**, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

**WHEREAS**, the Board conducted a public hearing on October 3, 2011 to receive public comment on the proposed Contract, the Deed of Trust and the projects to be refinanced thereby; and

**WHEREAS**, the County has filed an application to the LGC for approval of the Contract;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CATAWBA, NORTH CAROLINA, AS FOLLOWS:**

*Section 1.       **Ratification of Instruments.*** All actions of the County, the Chairman of the Board (the "*Chairman*"), the Clerk to the Board (the "*Clerk*"), the County Manager, the Finance Director of the County, the County Attorney and their respective designees, whether previously or hereinafter taken, in effectuating the proposed refinancing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

*Section 2.       **Authorization of the Official Statement.*** The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and of the final Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager or the Finance Director is hereby authorized and directed, individually and collectively, to execute and deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as he may approve, his execution thereof to constitute conclusive evidence of such approval.

*Section 3.       **Authorization to Execute the Contract.*** The County hereby approves the refinancing of such portion of the County's installment payment obligations under the Prior Contracts as the Finance Director may determine in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the Contract are hereby in all respects authorized, approved and confirmed, and the Chairman, the Clerk and the County Manager and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Contract, including

necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Contract presented to the Board. From and after the execution and delivery of the Contract, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

*Section 4.       **Authorization to Execute the Deed of Trust.*** The County approves the form and content of the Deed of Trust, and the Deed of Trust is in all respects authorized, approved and confirmed. The Chairman, the Clerk and the County Manager and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Deed of Trust, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate. Execution by the Chairman, the Clerk and the County Manager or their respective designees shall constitute conclusive evidence of the County's approval of any and all such changes, modifications, additions or deletions therein from the form and content of the Deed of Trust presented to the Board, and from and after the execution and delivery of the Deed of Trust, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

*Section 6.       **Letter of Representation.*** The form and content of the Letter of Representation are hereby in all respects approved, and the Chairman, the County Manager or the Finance Director is authorized to execute the Letter of Representation for the purposes stated therein.

*Section 7.       **Approval, Authorization of Escrow Agreement.*** The County approves the form and content of the Escrow Agreement, and the Escrow Agreement is in all respects authorized, approved and confirmed. The Chairman, the Clerk and the County Manager and their respective

designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Escrow Agreement, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate. Execution by the Chairman, the Clerk and the County Manager or their respective designees shall constitute conclusive evidence of the County's approval of any and all such changes, modifications, additions or deletions therein from the form and content of the Escrow Agreement presented to the Board, and from and after the execution and delivery of the Escrow Agreement, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement as executed.

*Section 8.       **County Representative.*** The Chairman, the County Manager and the Finance Director of the County are hereby designated as the County's representative to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Preliminary Official Statement, and the Chairman, the County Manager and the Finance Director are authorized to proceed with the refinancing of a portion of the County's installment payment obligations under the Prior Contracts in accordance with the Instruments and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The County's representative and/or designee or designees are in all respects authorized on behalf of the County to supply all information pertaining to the County for use in the Official Statement and the transactions contemplated by the Instruments or the Preliminary Official Statement. The County's representatives or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments or the Preliminary Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

*Section 9.       **Appointment of Corporation Board of Directors and Officers.*** W.C. Upchurch, Tony Wolfe and Rodney N. Miller are hereby reappointed as Directors of the Corporation, each of

whom will serve as Director in accordance with and subject to the direction of the Board and the Corporation's bylaws until his resignation, removal or disqualification, or until his successor is duly elected and qualified. In addition, W.C. Upchurch is hereby reappointed as President of the Corporation, Tony Wolfe is hereby reappointed as Vice President of the Corporation, and Rodney N. Miller is hereby reappointed as Secretary of the Corporation, each to serve in accordance with and subject to the direction of the Corporation's Directors and bylaws until his resignation, removal or disqualification, or until his successor is duly elected and qualified.

*Section 10.      **Severability.*** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

*Section 11.      **Repealer.*** All motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

*Section 12.      **Effective Date.*** This Resolution is effective on the date of its adoption.

11.    Other Items of Business:  
Chair Barnes presented the Board's proposed Goals for FY2012-13.  
The Board set its goals for Fiscal Year 2012-13. The setting of goals is a prelude to the start of the County's annual budget process in December and culminates with the adoption of an annual budget in June. Board members individually submitted ideas for goals and the members were then asked to rank proposed goals for 2012-13.

The Board's proposed goals are:

1.       Support a coordinated effort to create jobs and property tax base by investing in infrastructure, the development of the County's quality of life, and educational opportunities. Participate with the private sector in determining a long-term vision.

Specific strategies include:

- a.       Aggressive recruitment of most favored industries;
- b.       Support of and participation in a multi-jurisdictional business park;
- c.       Advocating for the widening and completion of Highway 16;
- d.       Insuring that County regulations support orderly growth and business development;
- e.       Supporting an environment for entrepreneurship, emphasizing the development of small business;
- f.       Continued support of public education, Economic Development Corporation, Convention and Visitor Bureau, CVCC and the Chamber of Commerce.

2.       Prepare a fiscal year 2012-13 budget which provides needed County services within available revenues, including no property tax increase, ensuring that the County addresses its short

term needs while planning for long term growth and maintaining the Board of Commissioners' policy of two months of operating expenses.

Commissioner Hunsucker made a motion to adopt the above goals. The motion carried unanimously.

12. Attorney's Report: None.
13. Manager's Report.
14. Adjournment: The meeting adjourned at 7:45 p.m.

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Katherine W. Barnes, Chair  
Catawba County Board of Commissioners

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Barbara E. Morris  
County Clerk